

**GOVERNMENT OF ANDHRA PRADESH**  
**ABSTRACT**

Thirteenth Finance Commission grants to Local bodies – Procedure to release the grants within the period prescribed by the Government of India – Orders – Issued.

-----

**FINANCE (FC-I) DEPARTMENT**

G.O.Rt.No. 5235

Dated:29-12-2010.

Read the following:

1. Conditionalities in the Thirteenth Finance Commission Report for Local Bodies grants.
2. Letter No. M2/16298/2010 Dated 4-10-2010 from the Director of Treasuries and Accounts, AP, Hyderabad.

\*\*\*

**ORDER:**

Thirteenth Finance Commission prescribed a time limit for release of grants to the local bodies. In case of delay beyond the time stipulated by the GOI, interest amount has to be transferred to the Local Bodies. The following is one of the several conditionalities stipulated by the Thirteenth Finance Commission.

**“The State Governments must put in place a system to electronically transfer local body grants provided by this Commission to the respective local bodies within five days of their receipt from the Central Government. Wherever this is not possible due to lack of easily accessible banking infrastructure, the State Governments must put in place alternative channels of transmission such that funds are transferred within ten days of their receipt. Self-certification by the State Governments with a description of the arrangements in place will demonstrate compliance with this condition. “**

2. In pursuance to the above conditionality, a meeting has been conducted on 1-10-2010 in the chambers of Secretary to Government [R&E] Finance Department with the officials of PR&RD Department, MA&UD Department, Director, T& A and PAO and discussed on this Issue. The DTA has furnished a proposal in the reference 2<sup>nd</sup> read above for the procedure to be followed in this regard.

3. After careful examination of the issue, the following procedure is prescribed for release of the Thirteenth Finance Commission grants to the Local Bodies as a special case in relaxation of all the relevant rules. This procedure is limited to disbursal of grants pertaining to the Local Bodies as per the recommendations of the Thirteenth Finance Commission.

**Preparation work:**

4. The general basic grants of Thirteenth Finance Commission to the Local Bodies will be released by the Government of India in two instalments, latest by 1<sup>st</sup> July and 1<sup>st</sup> January of each year, subject to submission of a utilization certificate [UC] for the previous instalment drawn. The general performance grant will be released by the Government of India on compliance of certain conditionalities prescribed by the Commission. Therefore the following preparatory actions have to be taken up by the PR&RD and MA&UD Departments and the Director of Treasuries and Accounts and be completed within 2 months from the date of approval of the action plans by the Government.

**PR&RD Department.****HOD Level:**

- a. The Commissioner, PR&RE shall prepare an action plan and abstract distribution statement for all the Zilla Parishads, Mandal Parishads and Gram Panchayats [District-wise] for all the years of the Commission period i.e from 2010 -11 to 2014-15 in respect of the basic grants and performance grants separately both for the Rural Local Bodies grants and for the Special areas / grant. This list shall be sent to the Government for approval. After approval of the Government, the list shall be uploaded to the website of the Director, Treasuries and Accounts. The Commissioner, PR&RE has to furnish the list of PD Accounts of Chief Executive Officers of Zilla Parishads District Panchayat Officers and their Telephone numbers to the DTA. This information shall be furnished to the PAO also.

**District Level:**

- b. The Chief Executive Officers of Zilla Parishads in the Districts shall prepare the distribution statements for all the Zilla Parishads and Mandal Parishads for the amounts approved in the para (a) above and these statements shall be uploaded in the net of the respective District Treasuries for the basic grants and performance grants separately. The Chief Executive Officer has to furnish the list of PD Accounts of ZPs and MPs, and Telephone numbers of the concerned officers to the District Treasuries/Sub-Treasuries.
- c. The District Panchayat Officer shall prepare the distribution statements for all the Gram Panchayats as per the lists approved in the para (a) above and these statements shall be uploaded in the net of the respective District Treasuries for the basic grants and performance grants separately and also for the Special area grant. He has to furnish the list of PD Accounts of all Gram Panchayats, Telephone numbers of the concerned officers to the District Treasuries/Sub-treasuries.

**MA&UD Department**

- d. The Commissioner and Director, Municipal Administration shall prepare an action plan and distribution statement for all the Municipal Corporations, Municipalities and Nagar Panchayats for all the years of the Commission period i.e from 2010 -11 to 2014-15 for the basic grants and performance grants separately for each of the three-tiers. After approval of the Government, the list shall be uploaded to the website of the Director, Treasuries and Accounts. The Commissioner and Director, Municipal Administration has to furnish the list of PD Accounts, Telephone numbers of the concerned officers to the DTA. This information should be furnished to the PAO also.

**Procedure:**

5. The following procedure should be followed for release of the Thirteenth Finance Commission grants.

**Issue of Budget Release Order:**

1. On receipt of the Thirteenth Finance Commission grants under Local Bodies from the Government of India, the Finance [FC] Department will issue the BRO after confirmation of its receipt from Government of India. A copy of the BRO should be sent by FAX/net to the administrative department i.e. PR&RD/MA&UD Departments concerned.

**Issue of Administrative sanction:**

2. The administrative Department i.e. PR&RD Department in case of Rural Local Bodies and MA&UD Department in case of Urban Local Bodies, shall issue Administrative sanction based on the BRO issued by Finance Department within a day.

**Requisition for Authorization by the DTA:**

3. The HOD, namely the Commissioner, PR&RE / the Commissioner and Director, Municipal Administration, has to send the requisition to the DTA for issue of budget authorization through net on the next day of issue of BRO and Administrative sanctions. A copy shall be sent to all the unit officers through net.

**Issue of Authorization by the DTA:**

4. The DTA shall authorize on the soft copy of the requisition and it shall be sent on line to the DTOs concerned as per the list already furnished to him or as per the list furnished along with the requisition furnished, if there are any changes. There is no need to insist on any other orders prescribed such as the Finance [SMPC] Department orders, orders of cadre strength etc., for issuing the authorization. The DTA shall keep the budget authorization information on the net and he has to see that an SMS message is sent to the HOD, DTOs and the district officers concerned immediately after the budget authorization is issued. A copy of the authorization should be sent to the PAO also on line. If it is delayed or if any problems are encountered, it should be brought to the notice of the Secretary to Government[R&E], Finance Department.

**Adjustment of amounts to PD Accounts**

5. The District Treasury Officer/ Sub-Treasury Officer and Pay and Accounts Officer, Hyderabad as the case may be shall suo-moto prepare the bill and adjust the funds to the concerned PD account administrators as per the list already furnished to him as indicated at para 4 above or as per the revised list furnished, if there are any changes. After the adjustment bill is passed at the treasury an SMS message shall be sent to the district / unit officer concerned by the District Treasury Officer/ Sub-Treasury Officer and Pay and Accounts Officer, Hyderabad as the case may be. This bill shall be taken into account while PD account administrators reconcile the transactions with the treasury.

**Furnishing of Utilization Certificate:**

6. The MA&UD Department /Commissioner and Director, MA and the PR&RD Department /Commissioner, PR&RE shall see that the amounts are utilized as per the action plans and furnish the

Utilization Certificates [UCs] in the format prescribed by May and November every year to Finance Department so that necessary UCs can be sent to the Government of India for further releases.

**Officers responsible:**

7. An Officer shall be nominated by the Commissioner and Director, MA and the Commissioner, PR&RE for monitoring the Local Body grants under Thirteenth Finance Commission during the period 2010-11 to 2014-15. The Chief Executive Officer of Zilla Parishads and District Panchayat Officers in Panchayat Raj Department and the Commissioners in Municipal Department should liaise and be responsible for these grants.
  8. If there are any problems or any clarifications required, it should be brought to the notice of the Secretary to Government[R&E], Finance Department immediately.
6. The respective Departments shall adhere to the above procedure and the guidelines issued by the Government of India for the Local Bodies under Thirteenth Finance Commission grants.

**(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)**

**G. SUDHIR**

Special Chief Secretary to Govt. (Finance)

To  
The MA&UD Department  
The PR&RD Department  
The Commissioner and Director MA, AP, Hyderabad  
The Commissioner, PR&RE, AP, Hyderabad.  
The Director of Treasuries and Accounts, AP, Hyderabad.  
The Pay and Accounts Officer, AP, Hyderabad.  
The Director of State Audit, AP, Hyderabad.  
The Accountant General, AP, Hyderabad.  
The Finance (W&M/TFR.I/Expr. PR&RD/Exp. MA&UD) Department  
SF/SC

//FORWARDED: BY ORDER//

**SECTION OFFICER**